

**TESTIMONY BEFORE THE LABOR COMMITTEE IN SUPPORT  
OF SB 990 AND SB 989 PUBLIC HEARING 4PM 3/10/11**

SUBMITTED BY MICHAEL GUARCO – CHAIRMAN – BOARD OF  
FINANCE – TOWN OF GRANBY – AND ONE OF MANY  
INITIATORS BEHIND THE CT MUNICIPAL CONSORTIUM FOR  
FISCAL RESPONSIBILITY – A BROAD BIPARTISAN ALLIANCE  
OF 220 LOCAL BOARDS/CHAIRS OF EDUCATION, SELECTMEN,  
AND FINANCE FROM THREE QUARTERS OF THE  
MUNICIPALITIES ACROSS CT WHO BELIEVE THAT WE ALL  
MUST BE ABLE TO BETTER MANAGE THE COST SIDE OF THE  
BUDGET EQUATION.

TO THE COMMITTEE CHAIRS AND MEMBERS..... ON  
BEHALF OF THE HUNDREDS OF LOCAL MUNICIPAL BOARDS  
WHICH HAVE IN RECENT YEARS SUPPORTED THIS TYPE OF  
MANDATE REFORM, WE THANK YOU FOR PROPOSING AND  
HOLDING A PUBLIC HEARING ON BOTH SB 990 AND SB 989. A  
FEW DOZEN OF OUR TOWNS ARE REPRESENTED IN THIS  
ROOM BY BOARD MEMBERS. WE ARE HERE TO ASK THAT  
YOU FINALLY HELP THE STRUGGLING TOWNS AND  
TAXPAYERS BY FAVORABLY REPORTING OUT BOTH BILLS.

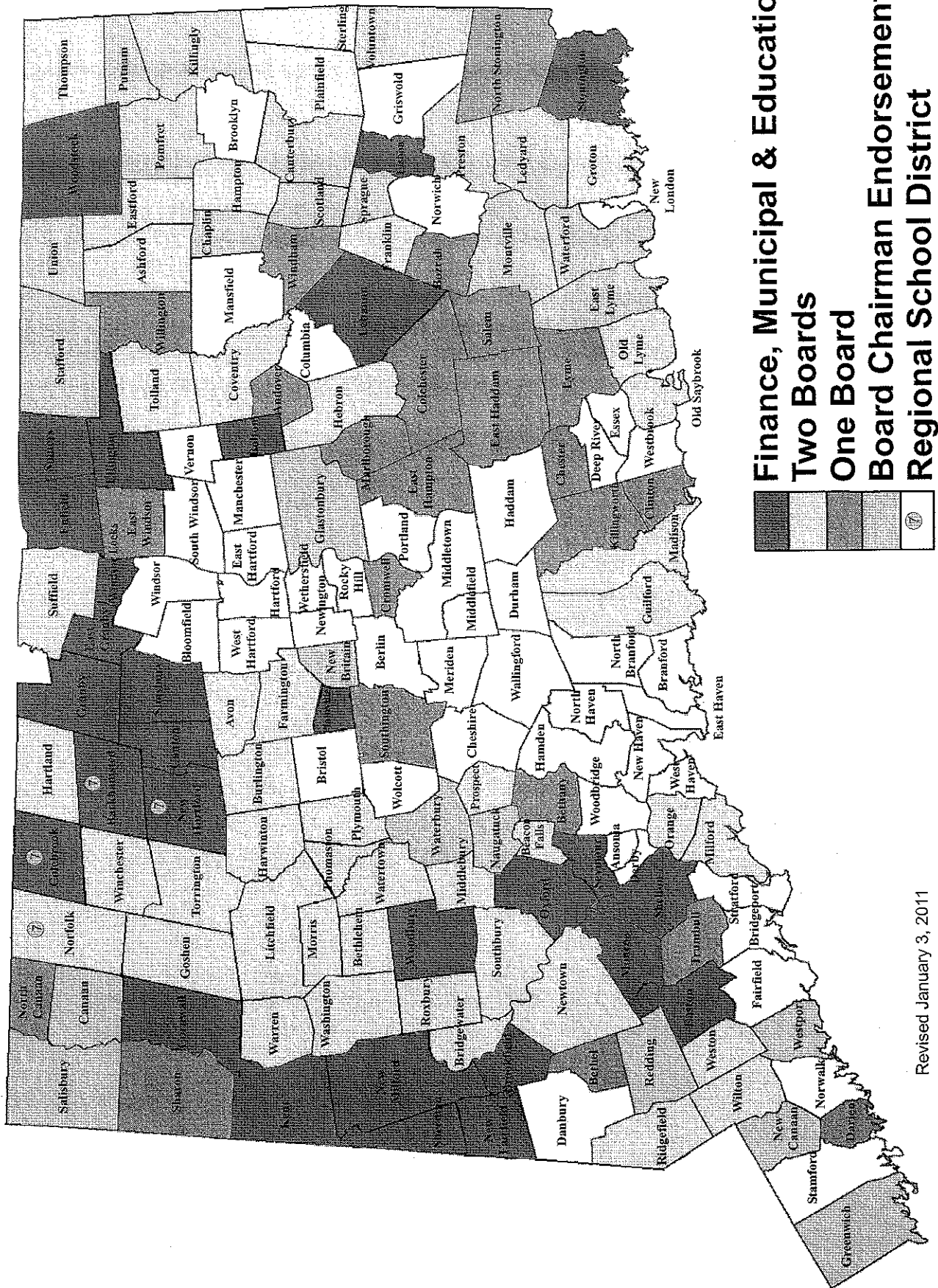
SB 990 PROVIDES THE FIRST UPDATE IN THE COST  
THRESHOLDS FOR PREVAILING WAGE IN 20 YEARS....SINCE  
1991. THIS REVISION MAINTAINS A BALANCE THAT  
REFLECTS THE CHANGE IN COST OVER TIME.....A SIMILAR

RATIONALE AS USED IN JUSTIFYING WAGE COLAS AND INCREASES TO THE MINIMUM WAGE. ON BEHALF OF THE TOWNS I APPLAUD YOUR SUBMITTING THIS TIMELY AND JUST COMPROMISE TO GET MORE PEOPLE WORKING AGAIN IN HELPING PRESERVE AND BUILD LOCAL MUNICIPAL INFRASTRUCTURE.

SB 989 IS ANOTHER TIMELY AND THOUGHTFUL MANDATE REVISION ....IN THIS CASE APPLYING TO BINDING ARBITRATION. IN PARTICULAR, BY REMOVING A MUNICIPALITY'S GENERAL FUND BALANCE FROM BEING CONSIDERED WITHIN THE ABILITY TO PAY, IT SIMPLY MAKES GOOD SOLID SENSE BECAUSE OF THE FACTS THAT CREDIT RATING AGENCIES REQUIRE THAT WE MAINTAIN A MINIMUM OF 5-15% OF THE LOCAL BUDGET AS UNDESIGNATED FUND BALANCE FOR EMERGENCIES..... AND THAT ONLY AN ONGOING SOURCE OF REVENUE SHOULD BE LOOKED UPON TO COVER AN ONGOING CONTRACT COST INCREASE.

I THANK YOU FOR THIS HEARING ON THESE COMMITTEE PROPOSALS....AND ASK THAT YOU REPORT THEM OUT FAVORABLY. THEY BOTH REPRESENT PRACTICAL COMPROMISES THAT WILL HELP US ALL DEAL WITH CRITICAL ISSUES AND HARSH ECONOMICS FACING OUR TOWNS....AND CT TAXPAYERS..... LEST THE FIRESTORMS BURNING IN THE MID-WEST MAKE THEIR WAY HERE.....

# CONNECTICUT MUNICIPAL CONSORTIUM FOR FISCAL RESPONSIBILITY



Revised January 3, 2011

## **Connecticut Municipal Consortium for Fiscal Responsibility**

The genesis of the Consortium – a broad alliance of duly elected town boards from a host of municipalities throughout Connecticut – comes in response to the growing wave of taxpayer discontent and local budget defeats we have witnessed over the past couple of years. The rate of rejections remains high while local property tax rates increase at around 5% per year. At the same time, overall municipal employment declines and existing program is squeezed out of budgets in town after town, victims of unbridled compensation and other state interventions into our local budgetary affairs.

Our focus is primarily on the cost-management side of the equation. Our mission is to press for return to the local level of a greater ability to manage key elements in our own municipal budgets.

The platform planks are all common threads of the legislative agendas of the three major municipal advocacy organizations – CCM, COST, and CABE – and call for leveling the playing field under binding arbitration, raising the cost thresholds on capital projects under prevailing wage laws, and prohibiting new mandates placed on towns until state government meets its own existing funding commitments to the towns under current law. Very simply, our joint message to the Capitol is to untie our hands so that we are more able to better and more efficiently manage our own local affairs.

These themes reinforce our view that our cause is pro-local government... pro-education... and pro-taxpayer. Then our growing group of town boards, and board chairmen, representing a broad and diverse group of municipalities throughout Connecticut, seeks to deliver a common message with a unified voice to legislators and the legislature... a message that truly is across-the-boards... across-the-parties... and across-the-state.

We encourage the governing authorities in every town and city - Boards of Selectmen, Education, Finance, Alderman, and Town Councils - to join us by endorsing the Consortium effort and by participating in pressing state lawmakers for change.

**Has your town joined with the Consortium yet?**  
**We may be reached through the following members:**

Mike Guarco, Chairman  
Granby Board of Finance  
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Mike Zelasky, Chairman  
Lisbon Board of Finance  
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George McLaughlin, Fmr. Chairman  
New Milford Board of Finance  
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